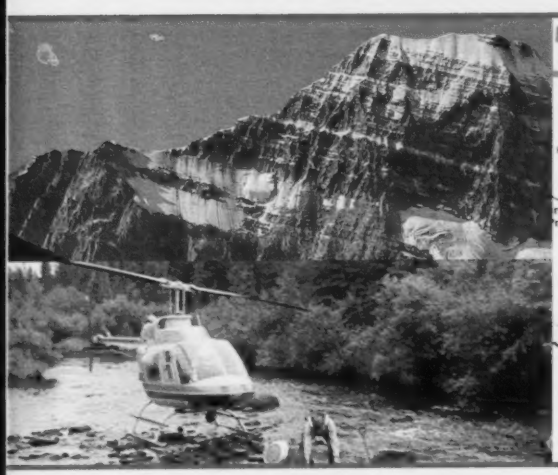
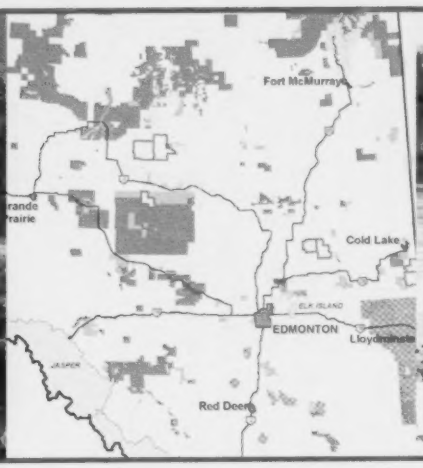
a guideline for preparing

Mineral Assessment Reports in Alberta





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Alberta Government

Mineral Assessment Reports

Metallic and Industrial Minerals (MIM) Permits are issued for the purpose of granting the exclusive right to explore for metallic and industrial minerals in Alberta. In order to keep a MIM Permit in good standing, the permittee must perform a specified amount of exploration work throughout the term of the permit.

The primary role of mineral assessment reports is to document and support expenditure claims for work done in order to keep a permit, or group of permits, in good standing. They also serve an important role of providing information on geological, geophysical, geochemical, drilling and other mineral exploration related activities that are completed each year in Alberta.

Mineral assessment reports are required through the *Metallic and Industrial Minerals Tenure Regulation* (AR 145/2005). They are described as a requirement in Part 1: Permits, and the specific requirements are outlined in the Schedule.

This guideline addresses the details of both the administrative and technical aspects of mineral assessment reports. It is intended to present the legislative requirements in a straightforward and clear way. For more information, please see the Alberta Energy website or contact the Coal and Mineral Development Branch of Alberta Energy.

Contact Information

Mailing Address	Alberta Energy Resource Revenue and Operations Division Coal and Mineral Development Branch North Petroleum Plaza 9945-108 St NW Edmonton, AB T5K 2G6
Telephone	780-427-7707
Fax	780-422-5447
Email	CMD.Energy@gov.ab.ca
Website	www.energy.alberta.ca/OurBusiness/minerals.asp
All Alberta Acts and Regulations are available online	www.qp.alberta.ca/Laws_Online.cfm
Permit and Leasing Toolkits	www.energy.alberta.ca/minerals/547.asp

CMD Guideline-01 (2013)
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Scan the QR code to go to the Alberta Energy website, where you can download a pdf of this guide.

Filing of Reports

A mineral assessment report is due at the end of each work period.

Example
Term date: May 1, 2012
Assessment report for
work period 1 is due: May 1, 2014

In the case of a permit group, the assessment report due date is the last day of the of the assessment work period for the permit with the earliest work period.

Mineral assessment reports are submitted to the Coal and Mineral Development Branch of Alberta Energy. A geologist reviews each report for completeness and quality. Expenditures are accepted based on the recommendations of the technical review.

The 14 year term of a MIM Permit is divided into 7 work periods. Each work period requires a specific amount of exploration work.

Work Period	Expenditures
1	$5 per hectare
2, 3	$10 per hectare
4, 5, 6, 7	$15 per hectare

Mineral Assessment Report Parts

Part A deals with the administrative requirements of the regulations. This part includes the detailed statement of the expenditures being claimed for the work period and all of the required authorizations. The documents submitted in Part A remain confidential.

Part B contains the technical information related to the exploration project; this information is reviewed for geological content. The purpose of Part B is to support the expenditures claimed in Part A. The material contained in Part B will become public information.

Part C contains technical appendices, which should support the information presented in Part B. Technical appendices will become public information.

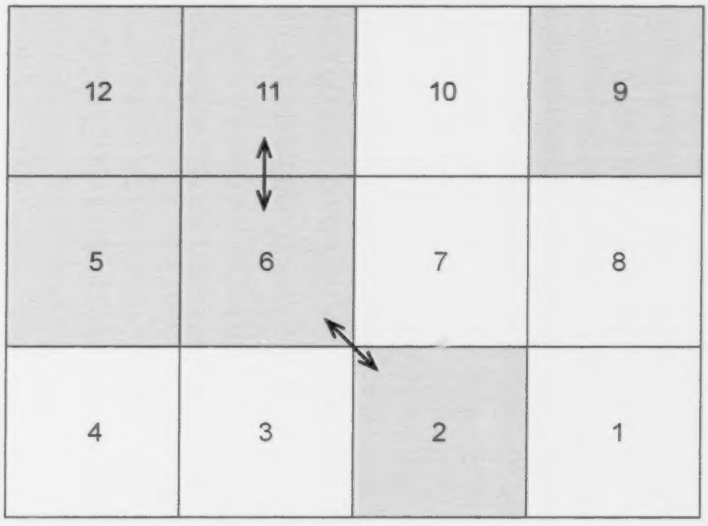
Confidentiality

Mineral assessment reports are confidential for a period of one year after the end of the work period for which they are submitted.

Grouping of Permits

Permits may be grouped for assessment purposes. In order to group two or more permits, they must be contiguous: two permits are contiguous if they are joined by a side or corner.

In the example below, sections 5, 6, 11 and 12 are contiguous because they share sides. Sections 2 and 6 are contiguous because they are joined by a corner. Section 9 is not contiguous and will require a separate assessment report.



A permit holder, or mineral assessment appointee, can request a permit grouping in a number of ways:

1. File a statement of intent to file for a group of permits. If the permits are contiguous and the intent to file is accepted, the permits listed in the intent to file will be considered a permit group.
2. Submit an assessment report that includes more than one permit. All of the permits listed, and mapped, in the assessment report, if contiguous, will be considered a permit group.
3. Submit a written request to group permits to the Coal and Mineral Development Branch prior to submitting an assessment report.

A permit can only be included in one permit group at a time. For example, a permit cannot be included in the submission of an assessment report if has already been included in an intent to file for a separate assessment report.

Work period end date for a permit group

Once a permit group is accepted, the end date of the work period for all permits within the group becomes the work period end date of the permit with the earliest work period end date. The mineral assessment report is due at the end of the work period of the permit group.

Statement of Intent to File

Section 10, of the Metallic and Industrial Minerals Tenure Regulation, allows for a permit holder to file a Statement of Intent to File within the last 30 days of a work period, if an assessment report is not available to be submitted. The assessment report is then due within 60 days of the normal due date.

A statement of intent to file allows the Coal and Mineral Development Branch to commence the administrative process prior to receiving the mineral assessment report. Staff will screen for contiguous permit grouping and identify specific lands or permits to be surrendered. The procedure allows lands to be returned to the Crown land bank sooner by serving the 30-day notice regarding land availability on the online interactive map.

A Statement of Intent to File should contain the following information:

1. The project name.
2. Permit number(s) and work period.

This should be a list of all of the permits, and work period for each, that will be included within the mineral assessment report. No additional permits can be included in the assessment report when it is filed.

3. A statement that a mineral assessment report will be filed within 60 days of the end of the work period.

If a mineral assessment report is not filed within 60 days, all permits that are passed the end date of their work period, after the 60 day period will be cancelled. The statement of intent to file does not remove the requirement to file, it only allows for extra time.

4. The name of the **mineral assessment appointee** (if different from the permit holder).

A mineral assessment appointee acts as the designated representative on behalf of the permit holder(s) on decisions affecting the filing of the assessment report, the report content and the permit area. They must be "re-appointed" for each assessment report.

5. A map showing the boundaries of the permit(s), so staff can review the configuration of a permissible group.

All permits in a group must be contiguous (see grouping description on Page 4). The map must be legible and show all permit(s) together, at an appropriate scale.

6. An estimate of expenditures incurred during exploration work during the work period.

The expenditures should be broken down by the different activities.

7. A list of permit number(s) and land description that will be surrendered and retained for the next work period.

In order to get land back into the land bank, any required cancellations can be done at this point.

8. A list of permit(s) that will be carried through to the next work period through a payment in lieu. A cheque for the proper amount should be enclosed with the statement.

A payment in lieu can only be applied once during the term of a permit.

Allocation of Expenditures

Permit holders, or mineral assessment appointees, can allocate expenditures as they like. Expenditures can be allocated to any permit within a group that is included in the assessment report. Any excess expenditures can be carried over to future work periods of the permit(s) to which the expenditures are allocated. Any expenditures that do not have allocation instructions from the mineral assessment appointee will be arbitrarily allocated by Alberta Energy.

All expenditures must be allocated within the reporting period in which they are claimed.

Money expended in the year prior to the commencement date may be claimed for the first work period of a permit, if the work done was within the permit boundaries.

Once an assessment report in finalized, the expenditure allocation cannot be changed.

Payment in Lieu

If the expenditures claimed are not enough to carry all of the land contained within a permit a cash payment in lieu can be made to keep the permit in good standing. The payment can be for all or any portion of a permit. A payment in lieu can be made one time per term for each permit.

A payment in lieu is non-refundable.

Acceptability

A mineral assessment report will be considered acceptable if it meets several basic requirements:

1. It relates to the location of a permit or permit group.
2. It relates to the appropriate work period of a permit or permit group.
3. It complies with all of the requirements of the Schedule within the Metallic and Industrial Minerals Tenure Regulation.
4. It complies with the time lines for submission.
5. Geological, geochemical and geophysical surveys are carried out under the supervision of a **qualified person**.

Mineral assessment reports cannot duplicate work that has previously been submitted for assessment credit, or duplicates previously published work. Other deficiencies may include:

1. Not meeting the specifications listed above.
2. Failure to show the adequate work required for the work period.
3. Failure to show work that is adequate to support the claimed expenditures.

In the case a mineral assessment report is deficient, the mineral assessment appointee is informed, in writing, of the deficiencies and provided an opportunity to either submit additional material to correct the deficiencies, or asked to provide an entirely new assessment report.

qualified person

"an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these; has experience relevant to the subject matter of the mineral project; and is a member or licensee in good standing of a professional association"*; or a prospector having acceptable qualifications.

*CIM Definition Standards, November 27, 2010

Part A

Part A of a mineral assessment report contains the administrative documents. **One copy** of Part A is required and remains **confidential**. The documents required for Part A include:

Part A:
requires 1 copy
remains confidential
title page
cover letter
authorization to copy
detailed expenditure statement
allocation instructions
map

1. A **title page** indicating the project name, permit numbers, client name, report author, date and a label indicating that it is Part A.
2. A **cover letter** that includes the name of the project and a list of the permits included within the report.
3. A signed statement that verifies the accuracy and completeness of Part A, and the completeness of Part B and C.
4. A letter of authorization for Alberta Energy to **copy or reproduce** the report once the confidentiality period has ended.
5. A letter designating a **mineral assessment appointee** for the applicable permit(s) during the specified work period. This authority enables the appointee to file the assessment report and make decisions regarding the group and surrendering of lands, and allocation of expenditures.
6. The **detailed expenditure** statement of costs expended, relating to exploration activities conducted on the lands included in the assessment report. These are the expenditures that are being claimed as credit toward the required spending to maintain a permit in good standing.
7. **Allocation instructions** for the accepted expenditures to the permit(s) included in the assessment report. This includes several instructions:
   - Instructions for the current work period.
   - If there are excess expenditures, instructions for allocation to future work terms.
   - If there are insufficient expenditures to carry all land, an amendment or cancellation will be required.
   - If, after Alberta Energy's review, there are insufficient expenditures accepted to carry all land, Alberta Energy will request instructions for reallocation of expenditures or land to be surrendered.

   If Alberta Energy does not receive the required instructions, the decisions will be made at the Department's discretion.
8. A **map** of the permit(s), including the permit number(s) and boundaries. All of the permit(s) should be on a single map at an appropriate scale. This ensures Alberta Energy can confirm that all permit(s) are contiguous

Important

The detailed expenditure statement is the most important document of Part A. It outlines the expenditures that are being claimed, in order to fulfil the requirements of Section 8(1) of the Metallic and Industrial Minerals Tenure Regulation. All of the other documents and information support the detailed expenditure statement. It is important that the detailed expenditure statement be sufficiently detailed so the Department geologist reviewing the report can complete a thorough review. If costs are not adequately broken down, expenditures may be rejected for lack of supporting evidence.

Part B

Technical Information

Part B of a mineral assessment report contains the technical information that is used to support the expenditures that are claimed within Part A; it will become part of the **public record** once the confidentiality period ends. If submitting the assessment report in hard copy, **two copies** of Part B are required. Part B should be submitted in a separate binding than Part A and all pages must be numbered. Part B requires:

1. A **title page** indicating the project name, permit numbers, client name, report author, date and a label indicating that it is Part B.
2. A **table of contents**.
3. A **breakdown statement of project work**. This must include a breakdown of expenditures for all types of work performed. A copy of the detailed expenditure statement from Part A can be used as long as all company and personal information is removed.
4. Text, technical illustrations and tables, which contain the data and information necessary to support the expenditures claimed in Part A and outlined in the breakdown statement of project work. The following sections should be included:

   Introduction - outlining the scope and purpose of the assessment work.

   Summary - a summary discussion of the work performed and results obtained during the work period for which the report is written.

   Location - a map showing the permit number(s) and boundaries for the permit(s) covered in the assessment report. The map should also indicate the locations of all sampling, drilling, survey grids and other such exploration work.

   Work performed - a detailed description of the exploration activities performed during the work period. This includes descriptions of the methods used, the name of the individual or company that performed (or supervised) the work, and the dates the work was performed. There should be a description of the work performed for each of the items listed on the detailed expenditure statement in Part A.

   Results - a tabulation or compilation of the data collected during the work period, a description of each type of analysis, and a statement of results drawn from any data included in Part C. If a Part C is not included, Part B must contain all the raw data, as well as any laboratory data, accompanied by certified laboratory reports.

   Conclusions - a summary discussion of how all of the reported results fit together and what new geological knowledge was gained.

   Bibliography/references - all information that was derived from a source that is not the author's must be referenced. It is acceptable to use information from previous work, but proper credit must be given.
5. A signed statement from the technical **author** that states their name and qualifications or work experience. This statement must accept responsibility for the veracity of the technical data and results presented in the report.

Part B:
requires 2 copies
becomes public
title page
table of contents
breakdown of work
introduction
summary
location
work performed
results
conclusions
references

Ensure all expenditures within Part A are discussed in detail in Part B.

Part C

Part C of a mineral assessment report contains the technical appendices for an assessment report. This includes data that is referred to in Part B. If full data tables and analytical reports are included within Part C, summary tables can be used in Part B. Part C is optional; if submitted, **one copy** is required and will become part of the **public record** once the confidentiality period expires. Examples of information that may be included within Part C includes, for example:

- Raw data (must accompany any filtered data in Part B)
- Certified laboratory reports
- Maps (other than what is required to be in Part B)
- Drill logs
- Engineering reports

Part C:
optional 1 copy
becomes public
raw data
certified lab reports
maps
drill logs
engineering reports

Part C may be included within the same binding as Part B. If so, it must be separated by a tab and Part C should be included within the table of contents of Part B. If it is bound separately, Part C must have its own table of contents. All data provided in Part C must to be referred to in Part B.

Data Submission

All data and results submitted in Part B and C must meet certain specifications:

All locations and data must be reported using geographic coordinates (e.g. Lat-Long or UTM), and must use the metric system.

All samples collected must have a unique identification code. This unique identifier must be used for all descriptions, assays and other analysis that involve each sample.

Samples

All samples must be listed in a table, which describes:

- the date the sample was collected
- the size and type of sample
- the sample location, given in geographic coordinates (and shown on a map)
- the observed physical or geological characteristics of the sample

Analytical Results

If assays or analytical results are reported, the mineral assessment report must include:

- a description of the analytical methods (with the indicated detection limits).
- a clearly legible and signed copy of the certified lab report submitted by the analytical facility that performed the analyses. Each analysis must be present on a lab report.
- a cross-reference between the lab report and unique identifier of each sample.

Acceptable Work Expenditures

Only work that can be directly associated with the area and work period that the mineral assessment applies will be accepted towards the required expenditures for a permit or permit group. The following kinds of work are acceptable to satisfy spending requirements:

Prospecting

Stripping and trenching

Shaft-sinking, tunnelling and other underground work

Drilling

Must include clearly legible drill logs and a map showing the locations of all drill collar locations.

Geological survey

A geological map must be included that shows the results of the geological survey.

Geophysical survey

A geophysical map must be included that shows the results of the geological survey. There should also be a map showing the locations of geophysical data acquisition.

Geochemical survey

A map must be included that shows the sampling locations for the geochemical survey. There may also be a map showing the distribution of the results of the survey.

Legal land survey

The results of the land survey should be shown on a map.

Transporting drill core and mineral samples to a core storage facility or other acceptable location provided by the Minister

Reclamation of disturbed sites

Aboriginal consultation

Up to 20% of mineral assessment costs may be expenditures directly related to consultation with First Nations or Métis for the purposes of furthering exploration on lands within the assessment report and during the work period.

10% overhead allowance

A 10% overhead allowance can be claimed for acceptable work done by the permit holder. Overhead costs for acceptable work done through a contract will generally not be accepted because contracts normally have an overhead charge calculated into them.

Other costs acceptable to the Minister

Other costs may be accepted upon review of the assessment report, if the Department considers them applicable to the exploration work for the specific land and work period of the assessment report. This may include:

Computer software - up to 20% of software costs may be claimed.

Physical work - such as infrastructure to support exploration work.

Work costs must be expended doing exploration work that is directly associated with the permits and work period of the assessment report.

Aboriginal Consultation

If consultation costs are claimed:

- Identify the actual or estimated consultation costs under "other" in the **Statement of Intent to File** (if submitted).
- Include details on consultation activities and costs in **Part A**: including a breakdown of the costs being claimed for Aboriginal consultation, a schedule identifying the Aboriginal group(s) that was consulted, a chronological summary of consultation activities, copies of notices served, meeting agenda(s) and itineraries.
- Part B must have the costs listed in the "breakdown statement of project work". Consultation details and results are not required in Part B.

Cost	Acceptable	Not acceptable	To be considered on a case by case basis
Aboriginal consultation	Consultation specific to the exploration program undertaken to meet a legal or informal requirement relating to the permit or the exploration approval. Facility and other equipment rental (receipted). Meals and refreshments at sessions (receipted).	Consultation fees charged by a First Nations or Métis group. Legal fees associated with consultation and litigation. Community compensation for loss of opportunity for traditional use. Development and delivery of training. Cost of general meetings not specific to one exploration program, for building relationships or assessing community attitudes as a foundation for potential exploration activities. Administrative overhead related to consultation.	Traditional use or historic resource studies - not normally a requirement for an exploration program under a permit; more likely relevant for mine development under a lease. Consultation costs exceeding the suggested guidelines. Consultation costs not anticipated in this guideline.
Company representatives	Travel expenses incurred by company representative for the purpose of consultation related to a specific exploration program.		
Community representatives	Cost of transport and accommodation of up to three community representatives to meetings within Alberta outside the community (receipted). Cost of transport and meals for one community member per visit to work site area.		

Allowable costs for Aboriginal consultation was originally introduced through Alberta Energy Information Letter 2008-11 (inform.energy.gov.ab.ca/Documents/Published/IL-2008-11.pdf)

If you are unsure if an expenditure is acceptable, contact the Coal and Mineral Development Branch.

Costs that are not allowed

There are some costs that will generally not be accepted as assessment expenditures because they cannot be directly associated with exploration work for a permit, or they do not further the geological knowledge of a property:

- Cost of writing a 43-101 technical report.

  A 43-101 is a requirement for securities regulators and all of the information within it should already be included within an assessment report. For assessment purposes, they do not add any additional information.

- Company/office administration costs.

  This is the purpose of the 10% overhead allowance.

- Vehicle or equipment repair or acquisition.

  Capital costs are not allowable; however, rental costs are an allowable expenditure.

- Expenditures accepted in previous assessment reports.
- Costs for work that duplicates work that has previously been submitted for assessment report credit.
- Costs for work that duplicates previously published work.
- Other costs Alberta Energy considers to be not allowable.

Evolution of work

Work that is claimed for assessment expenditures should further the geological knowledge of the area within the permit lands.

Exploration work and the types of expenditures claimed over the term of a permit should evolve as exploration and development of the resource progresses. Later stages of exploration, and subsequent assessment reports, should use more advanced exploration techniques as knowledge of the deposit is gained.

Assessment Report Review

Upon receipt of a mineral assessment report, Alberta Energy will do an **administrative** and a **technical** review of the report. The administrative review is to ensure all of the administrative requirements are met and the report can continue on to a technical review. The technical review has several aspects:

1. Reviews the quality and consistency of the reported data and conclusions.
2. Ensures all of the expenditures claimed within Part A are supported by Part B.
3. Confirms that all claimed expenditures were incurred within the area of the permit or permit group during the relevant work period and have not already been claimed in other reports and reflect new work done on the permit(s).

If all of the expenditures are accepted, they are allocated to the permit(s), following the allocation instructions provided in Part A.

Each time Alberta Energy communicates a review decision, the mineral assessment appointee has a period of 14 days to reply.

Report Deficiencies

A mineral assessment report is considered deficient if:

1. Any of the requirements described in this guideline, or the Metallic and Industrial Minerals Tenure Regulation, are not met.
2. The report fails to show adequate work for the work period(s) of the permit(s) included in the report.
3. The report fails to show work that is adequate to support the detailed statement of expenditures (in Part A).

If the assessment report review finds deficiencies, either technical or administrative, Alberta Energy may do one of two things:

1. Request a correction or supplementary material to correct the deficiencies or non-compliance. This may include sending a revised page, supplementary material to support expenditures, or receipts to prove costs were expended.
2. Request the mineral assessment appointee submit a new assessment report that corrects the deficiencies or non-compliance.

Alberta Energy will allow the mineral assessment appointee one chance only to address administrative or technical deficiencies. If the final accepted expenditures are less than what is claimed, the mineral assessment appointee must provide Alberta Energy with new allocation instructions. If no instructions are received, the Department will make the decision on how to allocate the expenditures.

Assessment Report Essentials

Prior to submitting a mineral assessment report, the author can use this guide to ensure the report properly captures all of the information required. This list is an example of the types of information the reviewing geologist is looking for.

Activities

- The activities are reasonable and appropriate given the exploration objectives and circumstances.
- Expenditures for the reporting period are reasonable for the activities described and have not been claimed in a previous assessment report.

Data & Results

- The data and results are complete for the activities undertaken.
- The data and results are accurate, reliable and authentic.
- All raw data is included in the report along with a detailed description of the data collection and interpretation of the results.

Expenditures

- An expenditure statement is included in both Part A and Part B.
- All expenditures claimed are reasonable based on current commercial rates.

Work Done

- Appropriate maps are included to show any physical, geological, geochemical and geophysical work done.
- All work done is described in detail.

Reviewing the items in this guideline will help to ensure your mineral assessment report is complete.